

APPROVED
MINUTES OF THE REGULAR MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY
Tuesday, November 18, 2008

2-B

The meeting convened at 9:43 p.m. with Chair Johnson presiding.

1. ROLL CALL

Present: Chair Beverly Johnson
Boardmember Doug deHaan
Boardmember Frank Matarrese
Boardmember Marie Gilmore
Vice Chair Lena Tam

2. CONSENT CALENDAR

- 2-A. Authorize the Executive Director to Execute an Amendment to Agreement with Russell Resources for Environmental Consulting Services for Alameda Point Extending the Term for 12 Months and Adding \$147,500 to the Budget.
- 2-B. Approve a One-year Lease with Two One-Year Options with Makani Power for a Portion of Hangar12.

Member deHaan motioned approval of the Consent Calendar, seconded by Member Matarrese, and passed by the following voice votes: Ayes – 5, Noes – 0, Abstentions – 0.

3. REGULAR AGENDA ITEMS

This portion of the meeting is a continuation of the Regular ARRA Meeting of 11/5, which was recessed by Chair Johnson. On 11/5, all Board members agreed that Item 3-A (SunCal's Development Concept) and the balance of the 11/5 agenda be continued at the Special ARRA Meeting scheduled on November 18, 2008.

3-A. Alameda Point Update — Review and Comment on SunCal's Development Concept
(Continued from the November 5, 2008 Regular Meeting)

Debbie Potter, Base Reuse and Community Development Manager, provided an overview regarding the purpose of presenting SunCal's Development Concept, which was to solicit feedback and comments from the ARRA to move forward with the draft Master Plan, which is due Dec. 19th.

Chair Johnson called the public speakers first. Michael Krueger reiterated a point that if any board member cannot support the plan for whatever reason, now is the appropriate time to discuss and raise objections, and what changes need to be made. Arthur Lipow discussed his concerns about the impact of the bankruptcies of SunCal Companies to the Alameda Point project. Susan Decker discussed her continued support of the Plan.

The Board reminded the public that the list of questions from the last meeting on Nov. 5th has been summarized and will be addressed this evening. Pat Keliher, SunCal's Alameda Point Project Manager, Matthew Ridgway of Fehr and Peers, Peter Calthorpe and Peter Tagami, of California Capital Group, were present to answer questions.

Member Gilmore stated that a key issue revolves around the feasibility of implementation and the traffic solutions - how to move people on and off the island. She discussed this as being a big part of her comfort level with regard to whether the plan can be executed. She wants to see real life examples of the solutions in place and working, and does not want Alameda to be the experiment. Member Matarrese had two transportation-related points: how we are addressing commute in the tube into China Town, and truck routes, how are we moving goods?

Matthew Ridgway, consultant from Fehr & Peers, addressed the transportation issues. He stated that traffic congestion is expected to be worse, regardless of Alameda Point redevelopment, as moving traffic to/from Alameda Point is secondary next to the traffic moving through the tube and the 880 corridor. One of the questions was whether the option of a Bus Rapid Transit (BRT) was out. Mr. Ridgway responded 'no', but is reserving the right of way to bus transit alignment. He further discussed that the project is developer funded and funding will be sought from AC Transit and other funding sources. Another question was regarding buy-in of other stakeholders. Mr. Ridgway explained that they are working with AC Transit for funding issues and Caltrans on Broadway/Jackson improvements, but there is a much larger group of stakeholders, and they are not assuming things outside of Alameda's purview.

The Board had requested a matrix be created. Mr. Ridgway prepared a draft which highlights major differences between the three plans, the APCP plan, the WRT plan, and the current SunCal plan. One of the major differences they realized was having an onsite school, which was carried forward to the current AP transportation strategy. A rapid bus element was not definitive in other plans, but in the current AP transportation strategy, it is definitive to fund a rapid bus transit system, also proposing to fund construction and operating costs for an additional BRT line across the whole island to the Fruitvale BART station in order to increase transit use throughout the island. A bikeshare program is being proposed; and another dramatic difference is a progressive parking plan, which was in the APCP plan, and is carried forward to the current plan. Shared parking, unbundling cost of residential parking, commercial fee based-parking, parking maximums, limit number of auto trips – new elements included in the summary of the matrix proposed to reduce auto trips.

Chair Johnson and Member Matarrese were concerned about the passive incentives of parking, which did not have the effect that was intended, because other transportation hasn't been provided. Member Gilmore discussed these unintended consequences and not being able to lure business to site because there is not enough parking. Member deHaan discussed the real life situation in Alameda, that streets upon streets are constrained because of no parking. He stated his concern that lack of parking has not driven Alamedans to use public transportation.

Mr. Ridgway explained that possibly parking shortages weren't in tandem with a whole host of transportation alternatives. They are proposing to implement the transportation alternatives and provide the level of parking that would balance with those alternatives – to be effective economically and be viable. They are trying to develop a plan that addresses all these issues. Chair Johnson stated that if we insure other transportation alternatives were available, people would use it.

Vice Chair Tam discussed the City's settlement with Oakland China town over the impact of the Alameda Point project with traffic in China Town - a traffic level threshold was generated, and the appropriate level was 1800 units. She asked Mr. Ridgway if their mitigation measures are all to get back to that threshold level. Mr. Ridgway affirmed, stating that they are marketing the plan as a green development – you live here because you only have one car or no car – the people that have a lifestyle with fewer or no automobiles would want to live here.

Another question addressed how the water emergency transit authority will interface and will meet the needs for maintenance and fueling facilities, and if this can be accommodated at

Alameda Point. Mr. Ridgway explained that they have looked at the issue of relocation of the ferry terminal to the estuary or to sea plane lagoon, but have not looked at dredging or fueling stations; and have not reached that level of detail at this point.

Another request from the Board was to provide examples of transit alternatives. Fehr & Peers provided a handout with information which cites several examples. Studies included comparative analysis of transit uses among specific cities in the bay area. They are diligent in citing statistics and research conducted nationally to reduce the number of auto trips. Regarding funds for island wide transportation solutions, Mr. Ridgway stated that operating and capital cost are being borne by the Alameda Point project. In response to the request to have an analysis of how many vehicle trips this plan will create, Mr. Ridgway said that a detailed phasing plan will be included in the Dec. 19 draft master plan.

Member Matarrese reiterated that the PDC and concept plan didn't address the issue of goods and services moving on and off Alameda Point - truck routes, etc. for commercial and retail. He stressed that this is a critical component that needs to be addressed.

For Peter Calthorpe addressed the next category of issues regarding adaptive reuse and light industrial questions, and questions regarding examples of other transit oriented development. Mr. Calthorpe gave a presentation of several examples of comparable mixed use developments, housing over retail, live-work – in other bay area cities including Oakland, Richmond, Daly City, San Mateo, and San Jose. Alameda Point has a unique component to offer which attracts entities to the various mixed-use elements, that Alameda Point has the ability to have a large company “campus”.

Vice Chair Tam asked Mr. Calthorpe to comment on creating that buffer between the different types of uses so there are no inherent conflicts that city councils have to deal with. Mr. Calthorpe explained that, until you get to real industrial uses, you don't have to buffer. The beauty of that mix, the services, parks and shops are double duty – if you put a store in a typically residential neighborhood, it won't be used – but if you put it in mixed use – it's used throughout the day, a better viability and keeps folks out of their cars. We're all focused on transit mode.

Member deHaan asked about adaptive reuse and light industry, and the compatibility of this? Mr. Calthorpe stated that the parcels for commercial development are not best used as light industrial, rather as low-rise office, and some historic reuse that can be industrial; explaining that when you invest this much in public infrastructure, the parks and transit – you don't want to dedicate land to light industrial – it would be underutilization for light industrial. Member Matarrese wanted to discuss the potential reuse of hangars.

Phil Tagami, of California Capital Group, continued the presentation by discussing adaptive reuse of the historical district structures. He discussed the tax credits and identified the protected historic districts. His focus is on 23 of 86 buildings identified, including the flight tower and the dive building. In total, he was asked to study 1.3M sq. ft. of space, as well as preserving and protecting the open space that is part of that. One of the tests of being able to restore the buildings is to give equal attention, respect to the buildings, and early involvement is key – having the opportunity to transition and put the site into reuse NOW would protect from further decay, create use and activity, and generate more revenue. There is a demand for certain activities and good transitional uses; now is the opportunity to have the time to become intimate with these buildings and begin process of next phase.

Member deHaan stated that the Navy had an inventory of the historical buildings and had desires and needs for specific ones. He asked how far we are in that process and does it relate to the 23 of 86 buildings. Mr. Tagami stated that they are 1/3 of the way done and there is a lot of due diligence that needs to be exercised. He further explained that the Navy hasn't fully processed

the application for the historic district. Clear policies and a well-thought-of redevelopment effort requires patience, due diligence, and there will be verbal sparring – a challenge and constraint that they are ready to engage in. Mr. Tagami discussed a similar situation with the Fox Theatre in Oakland – there were more reasons why you can't renovate the building versus why you can – and there's a shorter time horizon here at Alameda Point, so they are willing to explore adaptive reuse prior to transfer and are ready to take that risk.

Member Matarrese asked whether Mr. Tagami has had discussions with the City regarding transitional use prior to transfer and whether we are pursuing this. Member Matarrese stated that this option was a way to get us closest to the plan without losing the assets out there, as there is copper mining, vandalism, and no funds to secure property. Mr. Tagami said that he has expressed this desire and that SunCal has beginnings of communication with the City. It is an ongoing process, but they want to mind their role, focus on due diligence and underwriting, but said that when the time is appropriate, they would be prepared to engage in that dialogue. Member Matarrese asked if the appropriate time is now and if they are prepared to engage in that dialogue now. Member Matarrese expressed to the Board that they consider giving direction to move this issue as a priority. Vice Chair Tam discussed that the heavy capital makes the council and the board reluctant to make investments for property we don't own. Mr. Tagami explained that they often go at risk and are not asking the city to go at risk. They evaluate current increment expense, have a good track record of delivering value, all of which requires a team approach. They will expend the time, energy and money. Chair Johnson asked if DSD wants to move forward with interim adaptive reuse.

Debbie Potter explained that the key components to the partnership and business deal is the leasing program and at what point to transition that leasing program. These discussions are underway, and staff is interested in understanding what SunCal and Phil Tagami are proposing. Taking over the leasing program and expanding that program, renovating and identifying what uses can be derived from those if renovated. David Brandt, Deputy Executive Director, added that there was also discussion of starting with restoring one building at a time.

Chair Johnson stated that there are lots of benefits to adaptive reuse prior to transfer and that we should move forward. Member Gilmore asked how many of the 23 buildings are currently under lease, to which Ms. Potter replied that most are not, because they are in poor condition. Member Gilmore discussed working something out with SunCal and Mr. Tagami for taking over historic properties that are not under lease, to rehab and get them for productive use, and the sooner the better. Ms. Potter explained that we should continue the analysis, what they can expect for a revenue stream, and how willing are they to go at risk for buildings we don't own. Mr. Tagami explained that all properties need time on task; they need to take stock of the buildings, introduce them back on marketplace. It will take lots of work, and there will be obstacles and tears shed, but they are up for the challenge and there is no excuse not to engage.

Mr. Keliher wanted to make it clear that SunCal has not engaged staff in any kind of detail about this particular issue, in response to Chair Johnson's request that SunCal communicate with staff on more regular basis so they can have a better understanding of possibilities, and they are not caught by surprise. Ms. Potter stated that she didn't intend to give that impression, and that the issue just hasn't been discussed in great detail. She explained that SunCal and Tagami have to do their deal before they can come to the City with a proposal. The Board and staff were all in agreement that there are advantages to moving forward with rehabilitation on the structures that can be saved, and to make it a priority to move forward on discussions and do it as quickly as possible.

Member Matarrese proposed that the ARRA direct staff to get into discussions with SunCal and Phil Tagami tomorrow and bring an update back on what the discussions have been like and what the choke points are; and this issue can be discussed as a separate activity that runs parallel to the development. All Boardmembers agreed.

Vice Chair Tam expressed that the key to a successful project is flexibility in reacting to the changing economic conditions. In the next decade there is some expectation that the sustained downturn in economy will require job creation, and looking at the potential for self sustaining for energy level for the entire island, maybe there are some partnerships with AP&T, such as a solar farm, or other type of renewable energy source. Vice Chair Tam supports the plan, as it reflects and captures sentiment that we've been hearing throughout the community and public workshops. Chair Johnson stated that there needs to be discussion about the phasing of public amenities at some other appropriate point.

FM – reiterate some comments from last time including that the plan needs work on environmental issues such as the working waterfront, which showers noise upwind. He expressed that it's an odd place to put a neighborhood. He also mentioned not wanting to see plans that have sidewalk dining because it's freezing cold near the waterfront – and no water play in park. He cited that there are plenty of lessons in town to learn from, discussing the Bay Street, Emeryville situation where there is residential over retail and the problems that come from that type of development. Member Matarrese stated examples are all around that we should consider, and would like the same level of detail in the final plan that has been given to residential, given to commercial and light industrial.

Member dehaan asked SunCal about a survey that they were conducting with Alameda residents. Mr. Keliher clarified that the survey is preliminary and is sponsored by SunCal and not the City.

4. ORAL REPORTS

- 4-A. Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative.
- Highlights of October 2 Alameda Point RAB Meeting. (*Continued from the November 5, 2008 Regular Meeting*)

Member Matarrese provided a brief presentation. He discussed highlights from the ARRA meeting of Sept. 10th. The BCT gave an update and of the fiscal year and their activities, and there were comments on the transfer of FOST for site IR 15.

5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

None.

6. COMMUNICATIONS FROM THE GOVERNING BODY

None.

7. ADJOURNMENT

Meeting was adjourned at 11:34 p.m. by Chair Johnson.

Respectfully submitted,

Irma Glidden
ARRA Secretary